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ECONOMIC INTELLIGENCE WEEKLY

28 August 1974

AGRICULTURE

World Grain Outlook Dims; World grain output for 1974/75 will fall 25 million tons, or 2.6%, short of last year's record, according to the latest USDA estimates. (See page 4.)

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Japan: Hectic Grain Buying; In the last six weeks, the Japanese have placed orders for about 5 million tons of corn and 2.5 million tons of grain sorghums. (See page 6.)

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Fertilizer Prices Still Soaring; The import bills for the LDCs in 1974 will be 2 to 3 times the 1973 level. (See page 5.)

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Cotton Troubles in India and Pakistan; India wants 325,000 bales of US cotton, with credits a key consideration; Pakistan is pressing the United States for liberalized import quotas on cotton textiles. (See page 5.)

25X1

CYPRUS

Turkey Controls Lion's Share of Cypriot Economy; Permanent partition along present lines would place the majority Greek population in an untenable position. (See page 2.)

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INDUSTRIAL NATIONS

Bonn Resists Pressures to Soften Anti-Inflation Policy; Despite a stagnant economy and an inflation rate of only 7%, the West German government still disavows any intention to reverse its restrictive policies. (See page 1.)

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The Italian Government has obtained Bonn's agreement to support a three-month extension of Rome's $1.9 billion short-term EC credit as part of an effort by West Germany to help Italy with its large balance-of-payments deficit. The credit, which has already been rolled over once, is scheduled to expire 18 September. The government also intends to request a drawing of $350 million on the IMF oil facility.

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The Japanese Economy remains in the doldrums. Real GNP hardly changed in the second quarter, following a sharp drop in output in the first three months. For the first half as a whole, GNP declined at an annual rate of about 8%, the steepest decline in the postwar period.

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US-Canadian Automotive Trade was marked by a $500 million US surplus in the first half of 1974. (See page 7.)

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INTERNATIONAL MARKETS

The Dollar declined more than half a percentage point against the mark, French franc, and Swiss franc last week. Other major currencies closed with little change against the dollar. Tokyo eased its controls on foreign purchases of short-term securities Monday in an attempt to promote an influx of dollars and relieve downward pressure on the yen.

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The Price of Gold in London was fixed at $153.50 per ounce on Tuesday, down $1.75 for the week.

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Copper Prices in London ranged between 80.1 and 81.5 cents a pound last week in a lackluster market, registering the lowest weekly average for the year. Lead and zinc prices remained steady.

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COMMUNIST COUNTRIES

Eastern Europe: Beef Exports Down; EC import restrictions will cut East European beef and cattle sales by at

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least $100 million in 1974. (See page 7.)

USSR: Favorable Sugar Outlook; Because of a favorable outlook for the sugarbeet crop, the USSR probably will not have to buy sugar in the world market during the next 12 months. (See page 7.)

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USSR Steps Up Titanium Shipments to the United States; The USSR has surpassed Japan as the leading foreign supplier of titanium to the United States. (See page 8.)

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DEVELOPING COUNTRIES

Indonesian Participation in the Islamic Development Bank; Jakarta hopes to take advantage of the favorable terms offered by this bank to LDC borrowers. (See page 7.)

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PUBLICATION OF INTEREST

The Philippines: Recent Economic Performance and Outlook (See page 8.)

COMPARATIVE INDICATORS

Recent Data Concerning Internal Economic Activities (See page A-1.)

Recent Data Concerning External Economic Activities (See page A-2.)

Articles

BONN RESISTS PRESSURES TO SOFTEN ANTI-INFLATION POLICY

Despite a stagnant economy and an inflation rate of only 7%, the West German government still disavows any intention to reverse its restrictive policies soon. Chancellor Schmidt and Bundesbank officials alike stand determined to dispel expectations of higher wages and prices. Policy maneuvers in the near term will be fine adjustments taken to prevent economic hardship and strengthen Schmidt's political position.

The Bundesbank has been cautiously adjusting monetary policy for several months, occasionally easing credit to avoid a liquidity crunch. Its latest move was a reduction in minimum reserve requirements that released almost $2 billion. This step was prompted by recent heavy outflows of foreign exchange, largely attributable to the higher interest rates prevailing in other industrial nations. The heavy government borrowing anticipated in the next few months will add to the private sector's liquidity woes if the Bundesbank continues to curtail expansion of the money supply.

Contrary to the government's intention, the 1974 federal budget is turning out to be expansionary. A lag in tax revenues will push the deficit as high as 6% of expenditures. The Chancellor's recent order to cut administrative expenses by 10% for the rest of the year cannot compensate for the entire tax shortfall. The long-promised tax cut that takes effect on 1 January will generate a still larger deficit in 1975.

Schmidt is resisting growing pressures for aid to depressed industries, especially construction and automobile manufacture. The government nevertheless may announce up to $1 billion worth of public projects to influence this October's by-elections. It apparently is gambling that the measure will not inflate wage demands in negotiations beginning the following month. Though expansionary, such a program would not raise the budget deficit, since the projects would be financed from the special countercyclical accounts held by the Bundesbank. In the meantime, the unemployment rate has hit 3%, compared with a 1% average in the last few years, and GNP is creeping up at an annual rate of only 2%, at best, in contrast to the exuberant long-term average of 5%.

The Schmidt government would prefer to postpone any basic shift in policy for several months. Continuing a tough policy will permit further progress against inflation. And for political reasons, the Chancellor favors a gradual upturn beginning

Note: Comments and queries regarding the *Economic Intelligence Weekly* are welcomed. 25X1

next year and lasting until the federal election in the fall of 1976. Bonn's ability to avoid measures to stimulate domestic demand depends to an important extent on whether exports continue strong. Should foreign demand falter, Bonn almost certainly would be forced to adopt a more expansionary position even at the expense of accelerating price rises. 25X1

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TURKEY CONTROLS LION'S SHARE OF CYPRIOT ECONOMY

In capturing about 40% of Cyprus, Turkey has gained control of almost all of the island's important economic resources. Permanent partition along present lines would place the majority Greek population in an economically untenable situation.

Division of Resources

Cyprus' key agricultural, mining, manufacturing, and tourist centers are in the Turkish zone of control. This area has accounted for considerably more than half of the island's economic activity. Greek Cypriots – 78% of the island's population of 650,000 – hold the least productive, mountainous areas. Still in Greek Cypriot hands are the Limassol commercial area, the port of Larnaca, and the Troodos highlands, where herding and the production of olives, wine, and table grapes are the chief occupations.

The Turkish-controlled zone includes land devoted to wheat, barley, potatoes, garden produce, and citrus fruits. Cyprus, already dependent on imports for 40% of its food supply, consumes all domestically grown grain and vegetables. More than half the producing areas for these foods, accounting for about 65% of Cypriot agricultural output by volume, are under Turkish control. The Turks occupy the only agricultural areas that are permanently irrigated.

Turkish forces also control much of the copper-producing region surrounding the city of Xeros. This area, encompassing the Mavrovouni and Skouriotissa operations of the US-owned Cyprus Mines Corporation, accounts for about two-thirds of Cypriot mineral production and mineral export earnings.

Ankara's troops control the principal manufacturing district, in and around Nicosia, as well as the popular Kyrenia and Famagusta tourist areas. The Greeks retain possession of the Limassol and mountain tourist areas. Although destruction in these areas has not been extensive, the massive dislocation of workers and the absence of tourists have brought economic activity to a standstill.

War Damage

Fires caused by Turkish bombing have destroyed a large part of southwestern timber lands. The resulting deforestation of the watershed threatens the island's already scarce water supply. Water shortages, normal occurrences before the war, are now severe. Crops have not been irrigated in more than a month, and livestock are reported to be dying of thirst in large numbers.

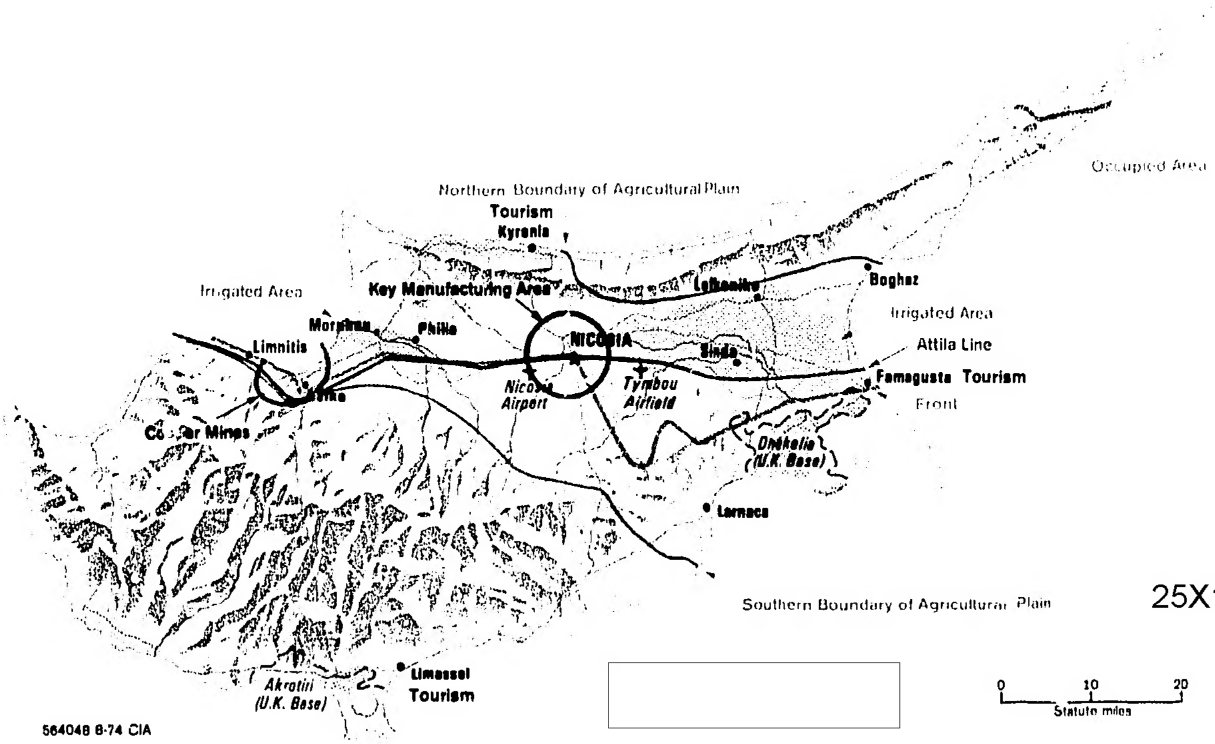
The invasion has had a devastating impact on the Greek Cypriots, causing roughly 150,000 to flee their homes, farms, and businesses. Greek Cypriot authorities give preliminary estimates of losses in property or business income as follows:

	Million US $
Construction	125
Tourism	36
Industry	18
Agriculture	8-10

In addition, the Greek population has lost $18 million in wage income, bringing the total loss to more than $200 million. Final figures probably will show much larger losses.

Impact of Partition

While retaining flexibility, present Turkish plans seem to call for a formalization of the Attila line, running from Lefka to slightly north of Famagusta.



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This line of partition would leave about 30% of the land area in Turkish hands. A realignment of population would require moving 45% (52,000) of the Turkish-Cypriots, and 29% (148,000) of the Greek-Cypriots. Population density in the Turkish-held area would then plunge dramatically from 185 to 105 inhabitants per square mile while the density of the Greek area would rise from 180 to 220.

The area left to the Greek Cypriots would be ill-equipped to support another 150,000 people. Food supplies already are inadequate; heavy reliance on foreign food aid would be necessary. Lacking appreciable manufacturing, agricultural, mining, and tourist activity, the Greek-held areas face extensive underemployment and massive emigration. As for Nicosia, we assume it will be divided by the partition line, with the Turks getting most of the industrial area.

Ankara will probably channel considerable resources into the mineral, tourist, petroleum refining, and service industries of the Turkish area. The Turkish Cypriot population, which formerly had a per capita income only half that of the Greek Cypriots, thus promises to profit handsomely from the realignment. The military expedition, which has cost Turkey an estimated $370 million, has paved the way for a robust Turkish Cypriot economy and the elimination of Ankara's annual $22 million welfare payment to the Turkish enclaves. 25X1

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WORLD GRAIN OUTLOOK DIMS

World grain output for 1974/75 will fall 25 million tons, or 2.6% short of last year's record level, according to the latest USDA estimates. Production is forecast at 942 million tons, a drop of 44 million tons from last month's estimate. USDA now projects a decline from 1973/74 of 3% for feedgrains and 2% for wheat. Prospects for the rice crop – not included in the above forecast – also have deteriorated in the past month. USDA believes that output may fall several million tons below last year's record 310 million tons.

The estimate for US grain output alone has been cut 39 million tons in the last month. The remainder of the drop reflects a 5 million-ton lowering of the estimate of the Soviet wheat crop, to 95 million tons. CIA's estimate of the Soviet wheat crop is 10 million tons less than that of USDA, but even this lower level should meet Soviet export and domestic requirements. Changes in estimates for other grain producers were minor and largely offsetting. Because of high prices and tight supplies, worldwide consumption of grain in 1974/75 is forecast to drop slightly for the first time in a decade. Even so, grain stocks – already at a 25-year low – will have to be drawn down further to meet the predicted consumption requirement.

Foreign demand recently has been stronger for US feedgrains than for US wheat. Since 1 July, shipments and sales of wheat have been running well behind those of a year ago. For corn, export sales as of 11 August had already reached 75% of the total projected by USDA for the 1974/75 marketing year. Subsequent sales to Japan and Europe may have pushed the share near 100%. 25X1

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COTTON TROUBLES IN INDIA AND PAKISTAN

India is considering US cotton imports after a two-year lapse. Meanwhile, neighboring Pakistan is facing surpluses of cotton and cotton textiles and will press the United States for liberalized quotas on cotton textile imports in meetings this week.

India wants 325,000 bales of US cotton worth $80 million to maintain cloth production. Its queries indicate that US export credits may be the key sales factor. Imports -- which come from Sudan, Egypt, and the USSR as well as the United States -- normally provide about 10% of India's cotton supplies. The United States was the largest supplier until India stopped seeking PL-480 shipments, following the 1971 India-Pakistan war. Indian purchases from Pakistan's surplus stocks are unlikely, because trade has been halted since their 1965 war.

Pakistan's carryover stocks of raw cotton have grown from 100,000 to 500,000 bales in the last 12 months. Pakistan also finds itself with rapidly growing stocks of cotton textiles, which have been accounting for nearly 40% of export earnings in the past two years. It is seeking liberalized US import quotas, even though it has not filled previous US quotas. New markets are being sought because of slumping sales to some traditional customers. For example, Japanese demand for Pakistani cotton yarn is down 85% from the 1972/73 level.

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FERTILIZER PRICES STILL SOARING

Prices of chemical fertilizer continue to increase sharply.

- Ethiopia will purchase diammonium phosphate at a record-breaking price of $476 per ton, almost five times the prices charged one year ago.
- In July, Turkey purchased ammonia for more than $500 per ton, compared with $80-$100 in January.

- West European and Japanese exporters of triple superphosphate raised prices to $400-$450 per ton, almost doubling prices in the last four months.

- In August, US exporters offered to sell urea to Pakistan for $440 per ton, compared with $300 in June.

Prices of nitrogen and phosphate fertilizer have almost doubled in the last four months and are currently 5 to 6 times the level of one year ago. Potash prices increased 50%-60% compared with prices in August 1973.

The import bills for LDCs in 1974 will be 2 to 3 times 1973 levels, with little if any of the increase representing a rise in physical volume. Brazil may pay as much as $600 million for fertilizer in 1974, compared with $200 million in 1973. India's import bill in 1974/75 will probably be $500 million to $550 million, compared with $200 million in 1973/74. 25X1

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JAPAN: HECTIC GRAIN BUYING

The Japanese have ordered huge amounts of US corn and grain sorghums since drought cast a pall over US crop prospects. In the last six weeks, they have placed orders for at least 5 million tons of corn and 2.5 million tons of sorghum. These precautionary purchases were an important factor in the sharp rise in corn prices. Until mid-July, the Japanese had bought only a million tons of corn and sorghum because they anticipated a substantial price decline.

Japanese Imports of Grains and Soybeans

Million Tons

	FY 1974	FY 1975 Contracts[1]	FY 1975 Forecast
Corn			
Total	8.2	7.4[2]	8.4
US	6.8	6.2[2]	6.2
Grain sorghums			
Total	4.3	N.A.	4.0
US	3.1	2.8[2]	2.8
Wheat			
Total	5.4	N.A.	5.7
US	3.2	0.7[3]	3.2
Soybeans			
Total	3.5	N.A.	3.6
US	3.1	3.0[3]	3.2

1. Covering deliveries during the 1974/75 crop marketing year.
2. Estimated.
3. Actual as of 11 August.

Japan probably has contracted for all its US corn needs for FY 1975. Purchases from the United States should decline about 10% from last year, since total import requirements are only slightly higher and increased amounts will be available from other suppliers. Japan already has lined up 1.2 million tons from Thailand and expects to buy a similar amount from South Africa.

Further heavy Japanese purchases of grain are unlikely. Tight monetary policy has squeezed even the large

Japanese trading firms. Traders and processors are saddled with surplus stocks of soybeans and possibly other feeds, which must be financed at high interest rates. Finally, Japanese flour millers foresee a cutback in demand if grain prices rise much further. [redacted]

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Notes

USSR: Favorable Sugar Outlook

Because of a favorable outlook for the sugarbeet crop, the USSR probably will not have to buy sugar in the world market during the next 12 months. Deliveries from Brazil, Australia, and other free market suppliers in each of the past two years have amounted to roughly three-quarters of a million tons. Although the 1974 Soviet production plan of 91.3 million tons will not be met, the harvest may equal last year's excellent crop of 87 million tons. When coupled with expected raw sugar imports from Cuba of about 2 million tons, a crop of this size would more than cover domestic sugar requirements. [redacted]

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Indonesian Participation in the Islamic Development Bank

At a recent meeting of Islamic foreign ministers, Indonesia offered $25 million to the embryonic Islamic Development Bank, considerably less than the $40 million it was asked to pledge. Despite its reluctance to pledge the full amount, Indonesia still hopes to be a substantial borrower from this bank. [redacted] Aware that the loans will be granted on political grounds, Jakarta is mending fences with the Arab states, particularly Saudi Arabia. [redacted]

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Eastern Europe: Beef Exports Down

EC import restrictions will cut East European beef and cattle sales by at least $100 million in 1974. Yugoslavia is the hardest hit, with total sales of beef and cattle for slaughter expected to fall by nearly 50% -- to between $80 million and $90 million. Attempts by the East European regimes to develop other markets have been frustrated by stiff competition from Western exporters. The slump in exports may induce the regimes to divert some of the beef to their own meat-hungry populations. [redacted]

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US-Canadian Automotive Trade

Strong Canadian demand for motor vehicles, combined with depressed US demand, resulted in a $500 million US surplus in bilateral automotive products trade in the first half of 1974 -- an increase of $400 million compared with the same period last year. Although motor vehicle sales within Canada are expected

to slow in the second half, the US surplus should reach a record $700 million to $800 million for the year, compared with a $360 million surplus in 1973. Prime Minister Trudeau has not raised any complaints about the sensitive trade balance issue, because he has been preoccupied with the national election and the subsequent revamping of his cabinet. By yearend, Ottawa is likely to take the initiative and request negotiations on revising the automotive agreement. [redacted] 25X1

USSR Steps Up Titanium Shipments to the United States

During the first half of 1974 the USSR for the first time surpassed Japan as the leading foreign supplier of unwrought titanium to the United States. Domestic producers provide about three-fourths of the US supply of this strategic aerospace metal, with imports from the USSR, Japan, Canada, and several West European countries making up the balance. Soviet shipments in the first half totaled 2,100 tons – more than three times the amount shipped during the first half of 1973 and 12% of US consumption of 17,000 tons. The increase in Soviet supplies resulted from a rapid growth in US demand that US titanium producers could not meet and a decline in Japanese shipments. [redacted] 25X1

Publication of Interest

The Philippines: Recent Economic Performance and Outlook (ER IR 74-21, August 1974, [redacted] 25X1

This report describes recent solid gains in the Philippine economy, focusing on the period since the institution of martial law in September 1972. Foreign exchange holdings grew by more than $600 million in 1973, and international payments will show another sizable surplus this year. Aggressive reform programs have built up the tax base, got land redistribution under way, and improved the climate for foreign private investment. Maintaining the momentum of growth, however, will require difficult policy decisions that will conflict with attempts to curb inflation.

INTERNAL ECONOMIC INDICATORS

GNP*
Constant Market Prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since 1970	1 Year Earlier	Previous Quarter
United States	74 II	-0.3	3.6	-1.1	-1.2
Japan	74 I	-5.0	5.8	-3.6	-18.6
West Germany	74 I	1.2	3.5	1.5	5.0
France	73 IV	1.8	5.8	5.7	7.3
United Kingdom	74 I	-3.5	1.9	-4.4	-13.3
Italy	73 IV	1.9	3.7	5.3	7.7
Canada	74 I	1.7	5.4	3.0	7.0

WHOLESALE PRICES
Industrial

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jul 74	2.7	9.3	25.1	34.2
Japan	Jul 74	1.1	11.3	34.2	13.2
West Germany	Jun 74	0.2	7.0	13.1	10.3
France	Jun 74	-1.0	12.8	34.3	13.0
United Kingdom	Jul 74	1.5	11.2	25.0	20.9
Italy	May 74	0.7	14.5	43.0	35.6
Canada	May 74	0.8	11.2	23.5	30.4

INDUSTRIAL PRODUCTION*

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier**
United States	Jul 74	0	4.5	-0.6	4.0
Japan	Jun 74	-2.5	6.6	-0.9	-7.1
West Germany	May 74	0.6	3.2	-1.1	-2.9
France	Jun 74	0.8	6.2	3.3	-1.1
United Kingdom	Jun 74	0	2.1	-2.6	20.3
Italy	Jun 74	5.7	5.8	6.5	3.9
Canada	May 74	-0.5	6.2	2.6	2.5

CONSUMER PRICES

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jul 74	0.8	6.2	11.8	12.2
Japan	May 74	0.3	11.3	23.1	15.7
West Germany	Jun 74	0.4	6.3	6.9	6.5
France	Jun 74	1.1	8.0	13.8	16.9
United Kingdom	Jul 74	0.9	10.6	17.1	14.0
Italy	Jul 74	2.4	9.9	18.7	22.3
Canada	Jul 74	0.8	6.6	11.3	15.9

RETAIL SALES*
Current Prices

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier**
United States	Jul 74	4.2	10.2	8.4	14.6
Japan	Apr 74	1.2	12.5	13.8	-5.8
West Germany	Apr 74	0.7	8.2	3.5	11.7
France	May 74	6.2	8.5	18.1	1.3
United Kingdom	May 74	0	11.2	16.2	7.4
Italy	Dec 73	3.1	17.2	25.5	47.1
Canada	May 74	5.1	12.4	18.2	17.7

MONEY SUPPLY*

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier**
United States	Jul 74	0.1	6.1	5.6	6.6
Japan	May 74	3.0	17.9	14.6	19.8
West Germany	Jun 74	2.0	9.2	5.3	10.4
France	Feb 74	-0.3	11.9	9.0	14.9
United Kingdom	Jun 74	-0.6	8.7	0.8	0.3
Italy	Dec 73	2.6	21.2	17.9	22.1
Canada	Jun 74	-2.0	13.0	11.2	21.2

MONEY-MARKET RATES

	Representative Rates	Latest Date	Percent Rate of Interest	1 Year Earlier	3 Months Earlier	1 Month Earlier
United States	Dealer-placed finance paper	Aug 7	11.43	8.50	9.00	9.00
Japan	Call money	Aug 7	13.50	7.50	12.00	12.63
West Germany	Interbank loans (3 Months)	Aug 21	9.46	13.75	9.00	9.16
France	Call money	Aug 7	13.38	8.69	13.00	13.00
United Kingdom	Sterling interbank loan (3 mo.)	Aug 21	12.66	13.75	12.89	13.34
Canada	Finance paper	Aug 21	11.63	8.08	11.50	11.58
Euro-Dollars	Three-month deposits	Aug 21	13.49	11.31	11.83	12.86

*Seasonally adjusted.
**Average for latest 3 months compared with average for previous 3 months.

28 August 1974
Office of Economic Research/CIA

Note: US data provided by US government agencies

EXTERNAL ECONOMIC INDICATORS

EXPORTS*
f.o.b.

	Latest Month		Cumulative		
		Million US $	Million US $ 1974	1973	Percent Change
United States	Jul 74	8,310	54,918	37,970	44.6
Japan	Jul 74	4,878	29,498	19,789	49.1
West Germany	Jun 74	6,320	42,786	29,793	43.6
France	Jul 74	3,900	26,116	20,266	28.9
United Kingdom	Jul 74	3,237	20,234	16,109	25.6
Italy	Jun 74	2,270	13,285	9,401	41.3
Canada	Jun 74	2,053	15,465	12,148	27.3

IMPORTS*
f.o.b.

	Latest Month		Cumulative		
		Million US $	Million US $ 1974	1973	Percent Change
United States	Jul 74	9,040	55,911	38,879	43.8
Japan	Jul 74	4,744	30,939	16,937	82.7
West Germany	Jun 74	4,828	30,420	23,250	30.8
France	Jul 74	4,515	28,508	19,465	46.5
United Kingdom	Jul 74	4,402	27,521	18,398	49.6
Italy	Jun 74	2,827	16,852	10,708	57.4
Canada	Jun 74	2,735	14,931	11,101	34.5

TRADE BALANCE*
f.o.b./f.o.b.

	Latest Month		Cumulative (Million US $)		
		Million US $	1974	1973	Change
United States	Jul 74	-730	-993	-909	-84
Japan	Jul 74	133	-1,441	2,852	-4,293
West Germany	Jun 74	1,491	12,366	6,543	5,824
France	Jul 74	-615	-2,393	801	-3,194
United Kingdom	Jul 74	-1,166	-7,287	-2,289	-4,998
Italy	Jun 74	-556	-3,566	-1,307	-2,259
Canada	Jun 74	-82	534	1,047	-512

BASIC BALANCE**
Current and Long-Term-Capital Transactions

	Latest Period		Cumulative (Million US $)		
		Million US $	1973	1972	Change
United States*	74 I	2,065	2,065	-1,006	3,071
Japan	Jul 74	-590	-9,010	-5,158	-3,852
West Germany	May 74	1,247	4,500	1,391	3,108
France	73 IV	-431	-2,471	-369	-2,102
United Kingdom	73 IV	-1,394	-3,164	-1,954	-1,210
Italy	73 II	-336	639	971	-332
Canada	74 I	-195	-195	-191	-4

OFFICIAL RESERVES

	Latest Month		Billion US $		
	End of	Billion US $	Jun 1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	14.9	14.5	12.9	14.6
Japan	Jul 74	13.2	4.1	15.2	12.7
West Germany	Jun 74	34.2	8.8	32.3	32.9
France	Jul 74	8.3	4.4	11.6	8.1
United Kingdom	Jul 74	6.7	2.8	6.6	7.0
Italy	Jun 74	5.3	4.7	6.0	6.7
Canada	Jul 74	6.0	4.3	5.8	6.2

*Seasonally adjusted.
**Converted into US dollars at current market rates of exchange.

EXPORT PRICES
US $

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	3.1	11.8	28.0	14.7
Japan	Jun 74	0.9	17.1	35.1	29.7
West Germany	Jun 74	-3.8	14.6	18.6	24.8
France	Apr 74	3.5	14.2	18.4	76.9
United Kingdom	Mar 74	7.2	11.0	19.4	49.6
Italy	Feb 74	1.7	10.2	15.9	6.8
Canada	Apr 74	3.2	14.8	43.0	78.7

EXPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	3.1	11.8	28.0	14.7
Japan	Jun 74	2.7	10.2	44.5	30.6
West Germany	Jun 74	0.2	4.7	17.7	13.5
France	Apr 74	4.3	10.2	26.3	54.4
United Kingdom	Mar 74	4.2	11.8	26.4	44.5
Italy	Feb 74	3.1	11.6	31.8	58.5
Canada	Apr 74	2.7	12.5	38.2	62.0

IMPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jun 74	0	18.5	47.8	34.8
Japan	Jun 74	2.3	17.7	83.2	27.7
West Germany	Jun 74	0.2	6.4	27.7	9.9
France	Apr 74	4.8	15.3	56.4	131.9
United Kingdom	Mar 74	6.4	20.9	60.9	107.4
Italy	Feb 74	16.4	24.2	86.1	260.8
Canada	Apr 74	-1.5	9.9	27.6	57.1

EXCHANGE RATES Spot Rate
As of 23Aug 74

	US $ Per Unit	Percent Change from Dec 66	18 Dec 1971	19 Mar 1973	16 Aug 1974
Japan (Yen)	0.0033	19.54	1.57	-13.28	-0.12
West Germany (Deutsche Mark)	0.3789	50.72	22.11	7.00	-0.55
France (Franc)	0.2073	2.67	5.28	-5.94	-0.14
United Kingdom (Pound Sterling)	2.3225	-16.77	-10.87	-5.63	-0.71
Italy (Lira)	0.0015	-5.12	-11.69	-14.18	-0.46
Canada (Dollar)	1.0196	10.54	2.18	2.20	-0.21

TRADE-WEIGHTED EXCHANGE RATES***
As of 23 Aug 74

	Percent Change from Dec 66	18 Dec 1971	19 Mar 1973	16 Aug 1974
United States	-14.04	-4.81	1.76	0.34
Japan	10.28	-3.26	-15.05	0.07
West Germany	29.76	12.84	7.82	-0.10
France	-17.79	-4.42	-6.88	0.39
United Kingdom	-35.45	-21.24	-6.84	-0.32
Italy	-25.29	-23.98	-17.08	-0.04
Canada	8.18	1.58	3.21	-0.09

***Weighting is based on each listed country's trade with 16 other industrialized countries to reflect the competitive impact of exchange-rate variations among the major currencies.

28 August 1974